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25 May 1954

MEMORANDUM FOR: Mr. []

SUBJECT : Progress Report - PBSUCCESS for the Period 18-24 May 1954

I. Operational

The following events of operational significance occurred during the reporting period.

- A. Eight black flights were completed into []
[] Approximately 30,885 pounds of cargo consisting mainly of ammunition, medical supplies, and rations were lifted. On 21 May a special cargo run was completed from Bolling Air Force Base to Miami.
- B. The SYNCARP organization will attempt to defect Guatemalan pilots with their aircraft within the next 15 days. []
[] has been advised of this and has been requested to assure asylum to the defectors and give SKIMMER/SYNCARP covert access to the defectors and their aircraft. [] [] has also been requested not to release the defection story to the press without prior authorization from SKIMMER.
- C. A report from Lincoln dated 24 May reflects that PBSUCCESS is in a fair state of readiness as far as PP and FI tactical operations are concerned. However, it is believed that a minimum of ten days will be required to put PM, communications, and air support operations in a state of readiness.
- D. The Honduran Government has requested the cooperation of the United States under the Rio Treaty in opposing the danger of "imminent threats of international communism". In addition, the Honduran Government also requested two U.S. warships to stand off Puerto Cortes, Tela, and La Ceiba to be ready for whatever pressing need might develop. Ambassador WILLAUER endorses the above request with the exception of several reservations he has regarding the warships. However, he has requested instructions for direct local coordination between himself and any task force commander who may be selected.
- E. It has been reported from both El Salvador and Honduras that President OSORIO of El Salvador is now receptive to official or unofficial overtures as a result of the recent arms shipment to Guatemala. A usually reliable source reports that OSORIO is extremely interested in obtaining arms and expressed willingness

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to invade Guatemala if so supplied. Final briefings of Honduras Foreign Minister VALENZUELA are underway prior to his departure for El Salvador for a meeting with President OSORIO.

- F. A cable from Sherwood reflected that a Guatemalan secretary attached to the Guatemalan Embassy in Nicaragua may have brought D-Fing equipment into that country. A surveillance of subject failed to determine his activities. However, on 18 May, the owner of Quinta San Salvador, the site where the arms for use against SOMOZA were cached, sent a telegram to SOMOZA requesting permission to rent his house to the Guatemalan Embassy secretary. [

[] has been urged to urge SOMOZA to have the secretary removed from Nicaragua immediately as a result of the break in diplomatic relations between the two countries.

- G. General Cabell made the decision to allow Charles RENNELL (ps), [] to return to his station and wind up his personal affairs. RENNELL was advised prior to his departure that he would not participate in any operational decisions upon his return to [] The station has been notified to this effect.

- H. It was reported during the period that a Lincoln courier en route to Sherwood was detained in Havana by Cuban Immigration Officials and subjected to baggage examination. The Cuban authorities opened one of the packages he was carrying containing tapes for Sherwood broadcast. According to the courier, however, he was able to pass the tapes off as pertaining to movies, and the Cubans did not learn the true nature of the tapes.

- I. Eliot P. RAZMARA, a staff agent in Guatemala, reported that the Guatemalan authorities were getting ready to round up members of the ESSENCE Group. This group is still actively engaged in the dissemination of anti-Communist propaganda. Loss of this PP outlet will have a decidedly negative effect on internal operations.

J. []

- K. The SS ALFHEM completed discharging cargo at Puerto Barrios, Guatemala, and departed for Nuevitas, Cuba, at 0530 on 24 May. [] has been alerted for the arrival of the ship and has been

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requested to attempt to contact and debrief Rune JANSSON, second engineer of the ship. JANSSON is reportedly desirous of leaving the ship in Cuba and will try to contact the Swedish Consul.

- L. A second ship, the SS TRANEVIK (also received TRANELIK), believed to be carrying arms and ammunition, is due to arrive soon in Tela, Honduras, where she will discharge some cargo. The ship is from Mariehamn on the island of Aland and may be owned by the Ericsson Company.
- M. On 22 May 1954 it was reported by the Guatemalan Station that Fernando CARRERA, a member of the Guatemalan G-2, has been directly involved in planting cases of arms, ammunition, and light field pieces (in knockdown condition) at strategic points in the immediate vicinity of Banahera. All weapons are of U.S. manufacture, and the crates bear markings of the United Fruit Company. CARRERA is working with a team involved in providing the Guatemalan Government with fake affidavits and depositions taken from individuals, possibly notional, who swear that they are engaging in seditious activities against the Guatemalan Government. Source personally saw a fake surveillance report which indicates that CARRERA has met Cuban planes for the purpose of accepting instructions, etc. It is Guatemala's plan to discover the arms within thirty days, conduct an investigation, exhibit the affidavits and depositions and invite members of the diplomatic corps to assist in digging up and uncovering the hidden arms. During the resulting publicity, the Guatemalan Government will violently attack the United States and the United Fruit Company, banking on the possibility that the Department of State cannot help the United Fruit Company.
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